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MINUTES OF THE REGULAR COMMISSION MEETING OF THE MICHIGAN PUBLIC SERVICE
COMMISSION HELD IN ITS OFFICES ON DECEMBER 20, 2011

Commission Chairman John D. Quackenbush called the meeting to order at 1:46 p.m.
Executive Secretary Mary Jo Kunkle called the roll and declared there was a quorum.

PRESENT

Commission: John D. Quackenbush, Chairman
Orjiakor N. Isiogu, Commissioner
Greg R. White, Commissioner

Staff: Lisa Gold
Judy Palnau
Mary Jo Kunkle
Catherine Bowers
Sharron Allen
Lois Gruesbeck
Wanda Jones
Gary Kitts
Nicholas Nwabueze
Robert W. Kehres
Lisa Felice
Don Mazuchowski
Mignon Middlebrook

Public: Dave Forsberg, U.P. Power Company
Suzy Westmoreland, MEGA
Don Stanczak, DTE Energy
Kwafo Adarkwa, ITC Holdings
Bob Nelson
Tim Hoffman, Consumers Energy
Jim Padgett, DTE Energy
Paul Garfield

- I. Chairman Quackenbush announced four amendments to the published agenda, Section III B, Item #13, Item #14, Item #15, and Item #16 were added, Commissioner Isiogu moved to approve the amended agenda, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The amended agenda was approved.

- II.** Commissioner Isiogu moved to approve the minutes of the Regular Commission Meeting of December 6, 2011, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minutes were approved.

III. ORDERS

A. COMMUNICATIONS

1. U-15512 BLOOMINGDALE TELEPHONE COMPANY, INC., AND VERIZON WIRELESS
U-15539 SPRINGPORT TELEPHONE COMPANY AND VERIZON WIRELESS
U-16908 CENTURYTEL OF MICHIGAN, INC., CENTURYTEL OF MID-WEST MICHIGAN, INC., CENTURYTEL OF NORTHERN MICHIGAN, INC., AND CENTURYTEL OF UPPER MICHIGAN, INC., (all d/b/a CenturyLink), AND COMCAST PHONE OF MICHIGAN, LLC, d/b/a COMCAST DIGITAL PHONE
U-16919 THE DEERFIELD FARMERS' TELEPHONE COMPANY AND FRONTIER COMMUNICATIONS OF MICHIGAN, INC.
U-16930 CREXENDO BUSINESS SOLUTIONS, INC., AND AT&T MICHIGAN (interconnection agreements)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which requests Commission approval of interconnection agreements and amendments. The order before you approves the requests, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16844 ROCKFORD TELEPHONE COMPANY, INC.
(permanent license)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application for a license to provide basic local exchange service. The order before you grants the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16845 SPARTA TELEPHONE COMPANY, INC.
(permanent license)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application to provide basic local exchange service. The order before you grants the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

B. ELECTRIC

1. U-14851 CLOVERLAND ELECTRIC COOPERATIVE
(waiver extension)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Cloverland Electric Cooperative requesting a waiver of the meter reading requirement of the Commission's residential billing rules. The order before you grants the waiver for one year, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16345 ALPENA POWER COMPANY
(10 REP reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Alpena Power Company for approval of its renewable energy reconciliation for the 12-month period ended December 31, 2010. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16417 UPPER PENINSULA POWER COMPANY
(electric rates)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which is an application by Upper Peninsula Power Company for authority to increase its retail electric rates by \$7,701,288. The order before you approves a settlement agreement resolving all issues in the case and approves a rate increase of \$4.2 million, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

4. U-16472 THE DETROIT EDISON COMPANY
U-16489 THE DETROIT EDISON COMPANY
(rehearing)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves a general rate case for The Detroit Edison Company. The order before you addresses the six petitions for rehearing filed in this matter, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

5. U-16515 COMMISSION'S OWN MOTION
('11 electric supply reliability)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an investigation into the electric supply reliability plans of Michigan's electric utilities for 2011. The order before you closes the docket in this matter, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

6. U-16582 THE DETROIT EDISON COMPANY
(REP amended plan)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by The Detroit Edison Company requesting biennial review of its renewable energy plan, approval of an amended renewable energy plan, and approval of a proposed schedule of transfer prices for 2012. The order before you approves the amended renewable energy plan as set forth in the order, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

7. U-16759 CONSUMERS ENERGY COMPANY
(residual balance reconciliation)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Consumers Energy Company for authority to reconcile electric utility residual balances and for approval of a Residual Balance Mechanism. The order before you approves a settlement agreement resolving all issues in the case, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

8. U-16794 CONSUMERS ENERGY COMPANY
(petition for rehearing)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief. The order before you denies the petition for rehearing filed by Philip Forner, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

9. U-16830 WISCONSIN ELECTRIC POWER COMPANY
(self-implementation)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves a request by Wisconsin Electric Power Company to increase its rates for the sale and distribution of electric energy and other relief. The order before you adopts a rate design for self-implemented rates, and authorizes the utility to implement a credit resulting from the settlement of litigation with the U.S. Department of Energy, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

10. U-16876 ABELARDO MORALES v CONSUMERS ENERGY COMPANY

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves a complaint by Abelardo Morales against Consumers Energy Company. The order before you dismisses the complaint, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

11. U-16903 DETROIT THERMAL, LLC
(steam sales agreement)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Detroit Thermal, LLC for approval of a steam sales agreement. The order before you approves the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

12. U-16932 COMMISSION'S OWN MOTION
('12 electric supply reliability)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which requires regulated electric utilities to file assessments of their ability to meet customers' expected electric requirements in 2012 and requests the utilities' affiliates, alternative electric suppliers, and other suppliers to file similar assessments, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

13. U-13129 COMMISSION'S OWN MOTION
(LIEEF assistance)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves applications for energy assistance grants from the Low-Income and Energy Efficiency Fund. The order before you vacates grants totaling \$62 million formerly approved by order dated June 28, 2011, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

14. U-13129 COMMISSION'S OWN MOTION
(LIEFF efficiency)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves applications for energy efficiency grants from the Low-Income and Energy Efficiency Fund. The order before you vacates the \$5 million grant to the Clean Energy Coalition formerly approved by the order dated June 28, 2011, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

15. U-13129 COMMISSION'S OWN MOTION
(LIEFF – MCAAA)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves applications for energy efficiency grants from the Low-Income and Energy Efficiency Fund. The order before you vacates the \$5 million grant to Michigan Community Action Agency Association formerly approved by the order dated June 16, 2011, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

16. U-16917 COMMISSION'S OWN MOTION
(new legislation)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves the award of grants from the Vulnerable Household Warmth Fund. The order before you approves grants totaling \$23 million divided among eight organizations, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

C. GAS

1. U-16535 MICHIGAN CONSOLIDATED GAS COMPANY
(accounting)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Michigan Consolidated Gas Company for *ex parte* approval of certain accounting practices related to the amortization of the company's manufactured gas plant environmental costs. The order before you denies the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

2. U-16857 STEVEN COLE v CONSUMERS ENERGY COMPANY

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves a complaint by Steven Cole against Consumers Energy Company. The order before you dismisses the complaint without prejudice, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

3. U-16931 CONSUMERS ENERGY COMPANY
(contract change)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Consumers Energy Company requesting approval of contract changes under its gas exchange agreements with Midland Cogeneration Venture Limited Partnership. The order before you grants the application, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

D. MOTOR CARRIER

1. MINUTE ACTION MOTOR CARRIER ADVISORY BOARD 2012

Commissioner Isiogu moved that the Commission adopt and issue minute dated December 20, 2011 appointing the following persons to the Motor Carrier Advisory Board for a 12-month term ending December 31, 2012

Don Beerens, Lansing
Mickey Blashfield, Warren
Carl Brune, Carson City
Al DeMeester, Ludington
Don Lahring, Waterford

Joe Ballor, New Haven
Michael Haller, Detroit
William Kotynski, Ann Arbor
Glen Merkel, Corunna
Donald Messing, Fenton
Brian Hitchcock, Webberville
George Thompson, Romulus
Douglas G. Ostrowski, Melvindale
Vincent Held, Sr., Alma
Frank Malette, Gwinn

Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The minute was adopted.

2. T-1863 CHAMPION’S AUTO FERRY, INC.
(rate case)

Commissioner Isiogu moved that the Commission adopt and issue order dated December 20, 2011 which involves an application by Champion’s Auto Ferry, Inc., to increase its rates, fares, and charges. The order before you recognizes the November 28, 2011 stipulation of the parties and fixes the rates, fares, and charges to those established by Tariff M.P.S.C. No. 34 until April 1, 2012, or until further order of the Commission, whichever comes first, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The order was adopted.

IV. PUBLIC COMMENTS

Mr. Paul Garfield expressed his concerns regarding: 1) costs of utility service in Michigan, 2) The Detroit Edison Company’s service to its customers, and 3) implementation of smartgrid technology in the Detroit Edison service territory.

Chairman Quackenbush announced that the next regularly scheduled Commission Meeting will be held on January 12, 2012.

Commissioner Isiogu moved that the Commission adjourn, Commissioner White seconded.

Vote: Yeas – Quackenbush, Isiogu, White
Nays – None

The motion was approved.

The meeting adjourned at 2:30 p.m.

Mary Jo Kunkle
Executive Secretary